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Lucia A Keegan 09/18/2006 10:24:51 AM From DB/Inbox: Lucia A Keegan

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UNCLAS SENSITIVE PARIS 06225

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ACTION: UNESCO

INFO: ECON AMBU AMB AMBO DCM SCI POL

DISSEMINATION: UNESCOX

CHARGE: PROG

APPROVED: AMB: LVOLIVER DRAFTED: POL: DROSTROFF

CLEARED: SCI: NJCOOPER; LEG:TMPEAY; DCM:AKOSS

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TO RUEHC/SECSTATE WASHDC 1396
INFO RUEHBR/AMEMBASSY BRASILIA 1665

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FROM USMISSION UNESCO PARIS

SENSITIVE

E.O.: 12958: N/A TAGS: UNESCO SCUL BR

SUBJECT: BRAZIL FIELD OFFICE

- 11. (SBU) Summary: Efforts by Brazil's ambassador to UNESCO to convince the US to have the Executive Board abandon its inquiries into alleged irregularities at the Brasilia field office did not go as planned, and could give new momentum to push the investigation further. End summary.
- $\underline{\ }$ 2. (SBU) Brazil's ambassador to UNESCO, Luiz Filipe de Macedo Soares, met with Ambassador Oliver on Wednesday, 13 September at the US Mission's offices. The US Mission's legal adviser, Michael Peay and David Ostroff also attended the meeting.
- 13. (SBU) Ambassador Soares said that the purpose of his visit was to discuss the situation regarding UNESCO's Brasilia Field Office, which has been the focus of attention regarding allegations of mismanagement. The Brazilian ambassador said that he thought the problems were being addressed and appropriate measures are being taken to correct any problems, and that it is now time to move on to more important issues.
- 14. (SBU) The Brazilian ambassador said that with no "major" irregularities found, apart from not keeping to proper bureaucratic procedure, poor file keeping, etc., it was time to clear the issue from the Executive Board's agenda as, he complained, it has become an almost automatic point of examination every six months since 12000.
- 15. (SBU) He also made the point that he had been contacted during his recent visit home by several key political figures concerning this matter, including the Minister for Political Coordination from the Office of the President, the Vice Minister of Education, as well as the head of TV Globo, Brazil's major television network.

 16. (SBU) Specifically, the Ambassador said that someone from
- UNESCO's Inspector General's office, had been conducting an "inquisition" regarding the Brasilia field office, and was creating an atmosphere of "general anxiety"; leaving the impression that something bad is going on in UNESCO's Brazil office, which he said is clearly not the case, in his view. The Brazilian delegation has been putting strong pressure on UNESCO regarding the investigation

- led by John Parsons, head of UNESCO's Internal Oversight Service. ¶7. (SBU) The Brazilian ambassador said that raising these questions hurts UNESCO's image in his country and spreads "little poisons" that damage the reputation and credibility of both public and private Brazilian institutions, referring to the Ministry of Education and the television network, TV Globo.
- 18. (SBU) One of the key issues being investigated was the field office's "handling" of monies raised by TV Globo telethons for the NGO Crianca Esperanca, (over 40 million dollars since 1986) for which UNESCO received a 10 percent "service fee". It is also worth noting that a full one-third of UNESCO's extra budgetary funds (approximately US\$124 million) flow through Brazil's field office. The other major issue under investigation concerned employment contracts on behalf of Brazilian government agencies that were under hiring freezes.
- 19. (SBU) He finished by saying that he was not asking for our support, but rather came just to give us needed background. He added that "most" Executive Board members, in any case, were not interested in this problem.
- 110. (SBU) Ambassador Oliver said that given the fact there was a strongly critical report on the Brazil office just before the Spring 2006 Executive Board meeting, it was not surprising there would be a follow-up.
- 111. (SBU) She went on to say that it is because Brazil is such a large and important office for UNESCO that the problems there have attracted so much attention. Ambassador Oliver added that the issues are generic and, in fact, much larger than the Brasilia office, and concern issues of management, oversight, accountability, and general relations between headquarters-field offices throughout the UNESCO system.
- 112. (SBU) Ambassador Oliver also raised the question as to why the Secretariat would have drafted the resolution before the Executive

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Board in such a way as to keep the issue alive, rather than indicate that the problems have been solved, if, in fact, that were the case.

113. (SBU) Comment: Soares' visit may have backfired. Instead of the sympathetic ear he had hoped for, his comments gave us further cause to question the status of the Director General's review of the situation in Brazil. US Mission's legal adviser, Michael Peay, will be in touch with UNESCO's External Auditor for more information in the next few days. End comment.